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C O N F I D E N T I A L SECTION 01 OF 03 LILONGWE 000080

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REF: A. LILONGWE 29 AND PREVIOUS
 1B. LILONGWE 75
 1C. LILONGWE 70
 1D. LILONGWE 36

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11. (C) Summary: Malawian media continued to report on the government's opposition to a civil society-led parallel vote tally (PVT) in front-page story Feb. 14 entitled "Bingu Grills U.S. Envoy; Bodde Maintains Tally Center OK." The article briefly described the recent, contentious meeting between the President and donor representatives on election support. Chief Secretary Bright Msaka told the DCM Feb. 16 that the GOM continued to harbour doubts about allowing a PVT in Malawi in spite of good results elsewhere in Africa, but remained open to further discussion. The Malawi Electoral Commission (MEC) concluded registration in late January after credentialing 94% of the voting-age population. The MEC will not announce the official candidate list (and its decision regarding former President Muluzi's candidacy) until early March. The May 19 polling date could slip if there are lengthy legal challenges. A snap audit at the MEC released in January uncovered almost \$3 million USD in financial irregularities. An investigation has been launched and 10 MEC employees arrested. Comment: Additional diplomacy, both public and private, will be required to overcome GOM resistance to a PVT. Post is currently working with the Department on press guidance and media strategy. Regardless, technically sound election observation remains a must given current circumstances. End Summary.

Media Keeps PVT a Front Page Story

12. (SBU) Just one day after President Mutharika's admonishment of the British High Commissioner made headlines (ref B), the February 14 edition of the Malawi News reported on the recent meeting between the President and donor Ambassadors regarding support for domestic election observation and a possible parallel vote tally (PVT) (ref D). The paper, using the headline: "Bingu Grills U.S. Envoy, Bodde Maintains Tally Center OK", devoted the entire front page to the issue of the GOM's discomfort with a PVT. The story, which quoted an unnamed diplomatic source, contained little substance regarding the meeting, however; the President's press officer queried by the reporter refused to comment, saying "Matters of diplomacy are not for the media." The story (accurately) quoted Ambassador Bodde's comment that the U.S. government has a regular dialogue with the government of Malawi and that all donors were helping to fund and support free, fair, and credible elections. Malawi Electoral Support Network (MESN) Deputy Director Undule Mwakasungula spoke out against GOM's posture, arguing a PVT was a civil society-led initiative that should not be politicized.

¶3. (C) The President's Chief Secretary, Bright Msaka, told DCM February 16 that the GOM continued to believe that a PVT "held more potential for mischief than for good." DCM highlighted the positive contributions civil society-led tallies had made in other African countries recently, but Msaka replied that the GOM still had doubts, despite good results elsewhere. He nevertheless added that the National Democratic Institute was well known and well regarded in Malawi, and offered to continue the discussion later in the week with the Ambassador.

MEC Concludes Registration

¶4. (U) The MEC concluded its registration at the end of January, nearly three months behind its original schedule. In the end, 5,931,263 voters were registered, representing 94% of the eligible voting population according to the 2008 census. The MEC will now finish checking for duplicate registrants and then print voters rolls. Verification and correction of the voters rolls will take place beginning in early March. Most observers believe the extended sessions, while costly, seem to have rectified many of the early problems that plagued the new process. Most acknowledge that the new voter roll will be the most accurate in Malawi's history.

MEC Delays Announcement of Candidates

¶5. (SBU) On February 16, the MEC announced that it will not release the names of successful presidential and parliamentary candidates for at least two more weeks. MEC chair Justice Msosa said the process of vetting the

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candidates was the most rigorous in Malawi's history. For the first time, the MEC is using software to compare supporter signatures on nomination papers to those from the registration role. (Note: Presidential nominees are required to collect 10 registered voters' signatures from each of the 28 districts in Malawi. Parliamentary nominees are required to collect 10 registered voters' signatures from their constituency. End Note.) Some, including United Democratic Front (UDF) lawyer Jai Banda, questioned the delay and suggested that it could threaten the electoral calendar. Legally the MEC has no time limit for vetting candidates, but the official campaign period begins March 17.

Snap Audit at MEC Leads to Investigation

¶6. (SBU) In January, the MEC received the results of a snap audit of July-September 2008 MEC funds. The audit, conducted by Price Waterhouse Coopers, revealed serious irregularities. Responding to the audit, the MEC immediately requested a government investigation. The financial investigations unit of the police told the media that up to \$2.8 million USD could be missing. Police have arrested ten MEC employees from three separate offices, charging them with theft by a public servant. The suspects have been denied bail. Media claimed the suspects were unable to account for money that should have been paid to temporary MEC employees for work during the registration exercise. MEC Commissioners are now scrambling to either bring in finance staff from other GOM ministries or hire a private accounting firm to manage its affairs through the election. On nearly the same day as revelations on MEC irregularities, the British government suspended its support to Parliament after an accounts clerk was arrested for embezzling over \$36,000 USD by forging payment vouchers.

DPP Launches Manifesto

¶7. (U) On February 13, President Mutharika launched the Democratic Progressive Party (DPP) manifesto in Mulanje. At the launch, the President said if elected he would further expand his signature fertilizer subsidy and would reduce the subsidized price for next year. The manifesto promises to continue to ensure food security, provide safe water, and increase the role of women. Mutharika also advocated a youth development fund and said he would continue to make Malawi attractive to foreign investors. Notably, Mutharika kept the launch positive, describing his administration's accomplishments and avoiding any mention of opposition parties. Mutharika highlighted his government's road construction program, civil service salary reforms, construction of girls' hostels at schools, and the increased stocks of medicines at hospitals.

German-led Workshop Compares Malawi to Kenya

¶8. (SBU) On February 10, German development agency GTZ lead a one-day workshop to review the Kenyan Independent Report on the 2007 Elections and discuss similarities to Malawi's upcoming elections. Participants included senior leaders from all major political parties, the MEC, and civil society groups. South African Judge Johann Kriegler, author of the report, was the keynote speaker and contributed to a lively discussion on potential triggers for election violence in Malawi. Participants almost unanimously agreed that controversy over the nomination of former President Bakili Muluzi was the event most likely to trigger violence. However, representative from Muluzi's UDF and the Alliance for Democracy (AFORD) refused Kriegler's suggestion that all political parties release a joint statement saying the parties would respect the decisions of the courts on nominations and encourage all supporters to remain peaceful no matter the outcome.

MEC Refuses to Budge on Nomination Deposits

¶9. (SBU) Despite numerous complaints from political parties and individual aspirants, the MEC ultimately refused to lower nomination fees (deposits) from \$700 USD for parliamentary and \$3500 for presidential nominees. The fees represented a twenty-fold increases over 2004 levels (ref C). After a meeting with independent presidential candidate James Nyondo, emboffs raised the topic with the MEC. However, the MEC continued to maintain that the new deposit levels would help eliminate opportunists and "briefcase" parties which distort the electoral process. The MEC related how in past elections

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such candidates often drop out after ballots are printed, increasing confusion on the polling day. The MEC contended that the deposit levels were still reasonable for serious candidates. Commission members said they believed communities would still rally around candidates they believed in and help financially support their campaigns. Despite the higher deposits, over 1500 parliamentary nominees submitted deposits for the 193 parliamentary seats.

COMMENT

¶10. (C) The Ambassador and DCM continue to discuss with senior government officials potential U.S. support of the electoral process. Additional diplomacy, both public and private, will be required to gain GOM acceptance for technically sound election observation. Post is currently working with the Department on press guidance and media strategy. Regardless, technically sound election observation remains a must given current circumstances. MEC's delay has reduced the time that legal challenges from disqualified candidates -- possibly including former President Muluzi -- can take without affecting the May 19 election date. Finally, after the loss of almost \$3 million USD from the

MEC, the rapid replacement of the Commission's finance department and investigation of the irregularities may not be enough to regain donor confidence. The MEC will face additional skepticism and distrust as it seeks additional budgetary support for cost overruns and supplemental items.

End Comment.

BODDE